



Midpeninsula Regional
Open Space District

R-26-126
Meeting 26-20
August 26, 2026

AGENDA ITEM 4

AGENDA ITEM

Grant Award with the Metropolitan Transportation Commission's Priority Conservation Area Grant Program for the Highway 17 Wildlife and Trail Crossings Project

GENERAL MANAGER'S RECOMMENDATION

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Adopt a resolution authorizing the General Manager to negotiate and execute a funding agreement in the amount of \$750,000 awarded by the Metropolitan Transportation Commission's Priority Conservation Area Grant Program for the construction phase of the Highway 17 Wildlife and Trail Crossings Project.

SUMMARY

The General Manager recommends that the Midpeninsula Regional Open Space District (District) Board of Directors (Board) adopt a resolution (Attachment 1 - Resolution) authorizing the General Manager to negotiate and execute a funding agreement with the Metropolitan Transportation Commission (MTC) to receive \$750,000 from their Priority Conservation Area Grant Program (PCA) for the construction phase of the Highway 17 Wildlife and Trail Crossings Project (project).

MTC invited the District to submit a full application on February 6, 2026, following a successful pre-application for the Highway 17 Wildlife and Trail Crossing Project that was submitted on December 18, 2025. The MTC board unanimously approved the recommendation to award a grant of \$750,000 on June 24, 2026, and notified the District of that decision on June 26. The Grants team met with MTC program staff on July 10 to review next steps, at which time a draft grant agreement was shared. This report provides a description of the PCA grant program and its purpose.

DISCUSSION

In partnership with the Association of Bay Area Governments (ABAG), MTC administers the PCA program using regional transportation funds allocated for conservation and open space purposes. The PCA Grant Program supports regional conservation goals by investing in projects that deliver significant ecological, agricultural, and recreational benefits across the nine Bay Area counties. Eligible projects must occur within a designated PCA, which is a region formally designated by MTC as a place of high ecological, agricultural, scenic, or recreational value that merits long-term protection and enhancement. The project's two crossings are each within a designated PCA.

The wildlife crossing is within the “Critical Wildlife Linkage” PCA, and addresses the PCA program’s Natural Lands Objective 3, which focuses on habitat connectivity and wildlife protection. The project enhances wildlife connectivity by restoring a continuous movement pathway across one of the most significant habitat barriers in the Santa Cruz Mountains. By creating a dedicated undercrossing paired with directional fencing, escape ramps, and sound-management features, it is designed to guide animals safely toward a crossing structure that meets the needs of wide-ranging and sensitive species. The crossing links more than 30,000 acres of protected land identified as a Critical Linkage, allowing wildlife to move between feeding, breeding, and dispersal areas that have long been severed by Highway 17. In doing so, the Project strengthens genetic exchange, reduces wildlife-vehicle collisions, and reestablishes the ecological processes that sustain healthy wildlife populations.

The trail crossing is within the “San Francisco Bay Trail-Bay Area Ridge Trail” PCA and addresses the PCA program’s Recreation Objective 1, which focuses on the completion and enhancement to the Regional Trails Network. The project advances regional trail network connectivity by creating a seamless, non-motorized link between trail systems that have long been isolated on opposite sides of Highway 17. By adding a grade-separated overcrossing and developing a trail (a separate project) to connect the existing trail network in El Sereno Open Space Preserve with the western end point of the overcrossing, it will transform previously disconnected segments into a continuous regional corridor. This new connection will lengthen the reach of the Bay Area Ridge Trail, the Juan Bautista de Anza National Historic Trail, and the Los Gatos Creek Trail. These enhancements will open new, east-west and north-south travel options for hikers, cyclists, and equestrians and serves both local communities and long-distance trail users.

The purpose of the PCA grant funding is to support the cost of constructing the project’s two crossings. The grant’s period of performance ends January 31, 2030, with project construction currently scheduled to begin mid-2027, dependent on securing the remaining project funding. Once completed, the project will deliver a highway undercrossing to accommodate large mammalian wildlife; related undercrossing features that include 2.3 miles of directional fencing, 420 feet of sound walls, 21 escape ramps, and 4 electrified mats; and a highway non-motorized overcrossing that will be designated as part of the Bay Area Ridge Trail.

Additional revenue beyond the PCA grant is required to cover the project’s total estimated \$35,500,000 construction cost. The District’s current Measure AA funding commitment for the construction phase of the project is \$10,937,000 (rounded: \$5,478,500 for the undercrossing; \$5,458,500 for the overcrossing). Thus, an additional \$24,563,000 is needed. A majority of these funds, \$18,600,000 (rounded) are anticipated from external sources as follows:

- A grant request to the State Coastal Conservancy (SCC) has resulted in a recommendation to award the project \$4,000,000, of which \$3,783,000 is planned to be applied to the project (the remaining amount would go toward the connecting trails, the cost of which is not included in this discussion). The SCC board is scheduled to consider the grant award recommendation on September 17, 2026.

- A \$12,070,000 grant request to the Wildlife Conservation Board is still pending; they have signaled that the full grant request will be recommended at WCB's November board meeting.
- The Peninsula Open Space Trust board is scheduled to consider a \$1,000,000 request in January 2027.
- The Wildlife Conservation Network prefers to be a 'late-stage gap closer'; while a request for \$1,000,000 has been made, they will make a formal decision on the amount in January.

If the pending requests are all funded in full, the project's current funding gap sits at \$6,000,000. No new public grant funding opportunities are expected to be available in time to apply and have an executed grant agreement without postponing the project's construction schedule. There are some private funding opportunities that Grants staff are continuing to pursue. Otherwise, any remaining unfunded amounts are expected to be supported through a combination of future reallocation requests, interest income allocations, and Fund 40 – General Fund Capital monies. If necessary, in late January/early February 2027, staff will make a request to the District Board to authorize such a reallocation of funding. All funding commitments are needed by February 2027 to confirm with Valley Transportation Authority (VTA), the project's delivery partner, that the project is fully funded, enabling them the time to prepare their construction bid package.

FISCAL IMPACT

This funding opportunity would have a positive impact of up to \$750,000.

PRIOR BOARD OR COMMITTEE REVIEW

None

PUBLIC NOTICE

Public notice was provided as required by the Brown Act.

CEQA COMPLIANCE

Execution of the funding agreement is not a project subject to the California Environmental Quality Act (CEQA). The Highway 17 Wildlife and Trail Crossings Project was analyzed in the Initial Study with Mitigated Negative Declaration/Environmental Assessment with Finding of No Significant Impact prepared by Caltrans and the District.

NEXT STEPS

If approved by the Board, District staff will work with PCA staff to negotiate and execute the funding agreement.

Attachment

1. Resolution of the Board of Directors of the Midpeninsula Regional Open Space District Authorizing the General Manager to execute a funding agreement for the \$750,000 award by the Metropolitan Transportation Commission's Priority Conservation Area Grant Program for the Highway 17 Wildlife and Trail Crossings Project.

Responsible Department Head:

Stefan Jaskulak, Chief Financial Officer, Administrative Services

Prepared by / Staff contact:

Carol Schimke, Grants Program Manager, Administrative Services

RESOLUTION NO. 26-XX

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDPENINSULA
REGIONAL OPEN SPACE DISTRICT AUTHORIZING THE GENERAL MANAGER
TO EXECUTE A FUNDING AGREEMENT FOR THE \$750,000 AWARDED BY THE
METROPOLITAN TRANSPORTATION COMMISSION’S PRIORITY
CONSERVATION AREA GRANT PROGRAM FOR THE HIGHWAY 17 WILDLIFE
AND TRAIL CROSSINGS PROJECT**

WHEREAS, funds were made available to the Metropolitan Transportation Commission’s (MTC) Priority Conservation Area Grant Program to support regional conservation goals by investing in projects that deliver significant ecological, agricultural, and recreational benefits in Bay Area;

WHEREAS, on June 24, 2026, MTC awarded Midpeninsula Regional Open Space District (District) \$750,000 under the Priority Conservation Area Grant Program to fund a portion of the construction costs for the Highway 17 Wildlife and Trail Crossings Project;

NOW, THEREFORE, BE IT RESOLVED that Midpeninsula Regional Open Space District hereby:

- 1. Authorizes the General Manager to negotiate and execute a funding agreement with the MTC to accept \$750,000 from MTC's Priority Conservation Area Grant Program for the Highway 17 Wildlife and Trail Crossings Project; and
- 2. Authorizes the General Manager or General Manager’s designee to execute all other documents or instruments necessary or appropriate to effectuate the terms of the funding agreement.

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PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on August 26, 2026, at a regular meeting thereof, by the following roll call vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

APPROVED:

Margaret MacNiven, Secretary
Board of Directors

Zoe Kersteen-Tucker, President
Board of Directors

APPROVED AS TO FORM:

Hilary Stevenson, General Counsel

I, the District Clerk of the Midpeninsula Regional Open Space District, hereby certify that the above is a true and correct copy of a resolution duly adopted by the Board of Directors of the Midpeninsula Regional Open Space District by the above vote at a meeting thereof duly held and called on the above day.

Maria Soria, District Clerk